

# **Disaster Strikes: The Challenge of Resuming Financial Operations**

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# Today's Agenda

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# ***Section I***

## ***COD Functions***

# Controller Operations Division

- Located in New Orleans, Louisiana, at the National Finance Center
- 295 employees
- Established in July, 2002
- Enabled the centralization of certain financial activities
- Improved management control and monitoring of Departmental financial matters
- Major contribution to obtaining a clean audit opinion in Fiscal Year 2002

# COD's Mission

We, the Controller Operations Division, are a proactive, cost-effective service organization focused on providing superior financial services to the USDA and its customers for the benefit of the taxpayer.

# COD Branches

- ***ACCOUNTING PROCESSING*** – Manages the FFIS accounting cycle processes for 17 USDA agencies.
- ***ADMINISTRATIVE PAYMENTS*** – Processes approximately 2.5 million payment transactions annually.
- ***CASH RECONCILIATION*** – Manages USDA's reconciliation processes for over 50 million cash transactions, and reconciles over 750 Treasury symbols monthly for the Undisbursed Appropriation Accounts (FM-6653).

# COD Branches (cont'd)

- ***CUSTOMER LIAISON AND TRAINING*** – Provides training opportunities for USDA's financial community. Maintains COD Memorandums of Understanding with 17 USDA agencies.
- ***FINANCIAL REPORTING*** – Prepares FACTS I, FACTS II, TROR, and Consolidated Financial Statements.

# COD Branches (cont'd)

- ***IPAC CONTROL*** – Processes and reconciles IPAC billings.
- ***PROPERTY RECONCILIATION*** – Reconciles \$5 billion recorded USDA assets to the FFIS General Ledger monthly.



# ***Section II***

## ***Pre-Katrina COOP Activities***

# Continuity of Operations Plan (COOP) Preparation

- Hired a full-time Risk Management Officer
- Participated in business resumption drills
- Documented each Branch's operational needs
- Identified essential employees
- Refined and tested the "call tree" process
- Rewrote the Division's COOP document
- Distributed two copies of the COOP document to each team member

# Key Components Contained in COD's COOP Plan

- Alert Procedures
- Recovery Responsibilities
  - list of critical activities
- Maintenance of the COOP
  - steps to keep it alive and current
- User Procedures
  - restoring access, call trees, etc.

# Key Components Contained in the COD COOP (cont'd)

- Work station requirements
- COOP Team member list with telephone numbers
- Essential personnel employee member list with current telephone numbers

# Additional Resources

- Laminated cards with emergency telephone numbers to all employees
- Purchased laptops for employees to work remotely
- Provided cell phones to key managers and other mission critical personnel
- Obtained government travel charge cards for essential employees
- Visited alternate work site in Grand Prairie, Texas

# ***Section III***

## ***Deployment & Recovery***

# Warning Time?

- Thursday Noon CST, Alabama, Mississippi and Louisiana are not in the forecasted strike area
- Thursday 6 PM CST, revised forecast still does not have Mississippi or Louisiana in forecasted strike area

# Last Business Day, “Little Warning”

- Friday 10 AM CST, landfall on the Florida pan handle is projected
- Friday 4 PM CST, revised forecast projects a strike on the western Mississippi Gulf Coast



# Saturday Morning

- Friday 10 PM CST, revised prediction is landfall just East of New Orleans
- Saturday, 10 AM CST, New Orleans is the predicted target

# Katrina Becomes Monster Storm

- Katrina grows in size and strength
- 10 AM Saturday morning, a mandatory evacuation is ordered for New Orleans

# Hurricane Katrina Hits

- COD employees evacuated to various cities
- Most COD employees expect an office closure for a few days, with a re-opening mid-week
- USDA, National Finance Center began procedures on the Friday before Katrina to activate computer systems at alternate work sites
- Hurricane Katrina hits on Monday morning

# Initial Steps to Resume Operations

- “Call tree” procedure is difficult to execute as 504 and 985 area codes remain jammed
- Initial communications are made through employees at USDA in Washington, DC and Virginia
- Essential employees that were contacted were instructed to report to the AWS in Grand Prairie, Texas

# Initial Steps to Resume Operations (cont'd)

- Several key managers arrived at the AWS and began communications with employees
- Systems were already up at AWS, and restoration of certain applications were in progress when COD staff arrived

# Resuming Operations

- Locating employees was first priority, and a continued effort for days
- Employee database created to document location and telephone numbers of employees as contact was made
- Cell phones with Texas area codes are distributed to key employees at the AWS

# Resuming Operations (cont'd)

- Outreach to customers began immediately
- The New Orleans Data Center relocated to Philadelphia
- Lack of AWS space required relocation of 57 employees to Rosslyn, Virginia
- Daily conference calls were instituted to coordinate activities

# Resuming Operations (cont'd)

- Several operations established utilizing three work shifts
- Employee needs addressed
  - housing
  - transportation
  - credit cards
  - family
  - counseling



# Resuming Operations (cont'd)

- Mail delivery and document printing are problems
- Numerous personnel issues needed quick response
- A total of 171 employees were deployed

# ***Section IV***

## ***Reconstitution***

# Back in New Orleans

- The National Finance Center facility survived
- Housing became the most critical issue
- Employees personal lives under-go drastic change
- Operations are reconstituted by branch and support organizations
- All employees are back by early February

# ***Section V***

## ***Lessons Learned***

# What Went Wrong?

- Failure of postal system
- Difficult employee communications
- Inadequate customer communications
- AWS space was inadequate

# What Went Wrong? (cont'd)

- Lack of administrative support personnel
- Documents and equipment left at New Orleans office
- Poor financial cutoffs

# Corrective Actions Taken

- Established Post Office Boxes at AWS
- Implemented Electronic Billing (EDI)
- Expanded essential employee list
- Assigned essential employees in deployment waves
- Established an 800 conference call line for employee communications
- Developed a list of alternate telephone numbers and email addresses

# Corrective Actions Taken (cont'd)

- Designated employees as administrative support personnel
- Expanded distribution of laptop computers
- Formulated improved procedures to back-up data before deployment
- Deployment checklist developed to establish employee profile



# Corrective Actions Taken (cont'd)

- Ensure critical telecommunication connections are available immediately
- Develop a customer fact sheet
- Purchased “to-go kits” for all employees

# Critical Factors

- Develop a Plan and Keep It Current
- Assign a Coordinator
- Determine Employee Roles and Needs
- Frequent Communication
- Inform Department Management
- Practice

# Questions?